

105TH CONGRESS
1ST SESSION

H. R. 2621

To extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1997

Mr. ARCHER (for himself, Mr. CRANE, and Mr. DREIER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—TRADE AUTHORITIES**
4 **PROCEDURES**

5 **SEC. 101. SHORT TITLE.**

6 This title may be cited as the “Reciprocal Trade
7 Agreement Authorities Act of 1997”.

1 **SEC. 102. TRADE NEGOTIATING OBJECTIVES.**

2 (a) OVERALL TRADE NEGOTIATING OBJECTIVES.—

3 The overall trade negotiating objectives of the United
4 States for agreements subject to the provisions of section
5 103 are—

6 (1) to obtain more open, equitable, and recip-
7 rocal market access;

8 (2) to obtain the reduction or elimination of
9 barriers and distortions that are directly related to
10 trade and that decrease market opportunities for
11 United States exports or otherwise distort United
12 States trade;

13 (3) to further strengthen the system of inter-
14 national trading disciplines and procedures, includ-
15 ing dispute settlement; and

16 (4) to foster economic growth, raise living
17 standards, and promote full employment in the Unit-
18 ed States and to enhance the global economy.

19 (b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

20 (1) TRADE BARRIERS AND DISTORTIONS.—The
21 principal negotiating objectives of the United States
22 regarding trade barriers and other trade distortions
23 are—

24 (A) to expand competitive market opportu-
25 nities for United States exports and to obtain
26 fairer and more open conditions of trade by re-

1 ducing or eliminating tariff and nontariff bar-
2 riers and policies and practices of foreign gov-
3 ernments directly related to trade that decrease
4 market opportunities for United States exports
5 or otherwise distort United States trade; and

6 (B) to obtain reciprocal tariff and non-
7 tariff barrier elimination agreements, with par-
8 ticular attention to those tariff categories cov-
9 ered in section 111(b) of the Uruguay Round
10 Agreements Act (19 U.S.C. 3521(b)).

11 (2) TRADE IN SERVICES.—The principal nego-
12 tiating objective of the United States regarding
13 trade in services is to reduce or eliminate barriers to
14 international trade in services, including regulatory
15 and other barriers that deny national treatment and
16 unreasonably restrict the establishment and oper-
17 ations of service suppliers.

18 (3) FOREIGN INVESTMENT.—The principal ne-
19 gotiating objective of the United States regarding
20 foreign investment is to reduce or eliminate artificial
21 or trade-distorting barriers to trade related foreign
22 investment by—

23 (A) reducing or eliminating exceptions to
24 the principle of national treatment;

1 (B) freeing the transfer of funds relating
2 to investments;

3 (C) reducing or eliminating performance
4 requirements and other unreasonable barriers
5 to the establishment and operation of invest-
6 ments;

7 (D) seeking to establish standards for ex-
8 propriation and compensation for expropriation,
9 consistent with United States legal principles
10 and practice; and

11 (E) providing meaningful procedures for
12 resolving investment disputes.

13 (4) INTELLECTUAL PROPERTY.—The principal
14 negotiating objectives of the United States regarding
15 trade-related intellectual property are—

16 (A) to further promote adequate and effec-
17 tive protection of intellectual property rights,
18 including through—

19 (i)(I) ensuring accelerated and full
20 implementation of the Agreement on
21 Trade-Related Aspects of Intellectual
22 Property Rights referred to in section
23 101(d)(15) of the Uruguay Round Agree-
24 ments Act (19 U.S.C. 3511(d)(15)),

1 (II) achieving improvements in the
2 standards of that Agreement, particularly
3 with respect to United States industries
4 whose products are subject to the
5 lengthiest transition periods for full com-
6 pliance by developing countries with that
7 Agreement; and

8 (III) ensuring that the provisions of
9 any multilateral or bilateral trade agree-
10 ment entered into by the United States
11 provide protection at least as strong as the
12 protection afforded by chapter 17 of the
13 North American Free Trade Agreement
14 and the annexes thereto;

15 (ii) providing strong protection for
16 new and emerging technologies and new
17 methods of transmitting and distributing
18 products embodying intellectual property;

19 (iii) preventing or eliminating dis-
20 crimination with respect to matters affect-
21 ing the availability, acquisition, scope,
22 maintenance, use, and enforcement of in-
23 tellectual property rights; and

24 (iv) providing strong enforcement of
25 intellectual property rights, including

1 through accessible, expeditious, and effective
2 civil, administrative, and criminal enforcement
3 mechanisms; and

4 (B) to secure fair, equitable, and non-
5 discriminatory market access opportunities for
6 United States persons that rely upon intellectual
7 property protection.

8 (5) TRANSPARENCY.—The principal negotiating
9 objective of the United States with respect to transparency
10 is to obtain broader application of the principle
11 of transparency through—

12 (A) increased and more timely public access
13 to information regarding trade issues and
14 the activities of international trade institutions;
15 and

16 (B) increased openness of dispute settlement
17 proceedings, including under the World
18 Trade Organization.

19 (6) RECIPROCAL TRADE IN AGRICULTURE.—
20 The principal negotiating objective of the United
21 States with respect to agriculture is to obtain competitive
22 opportunities for United States exports in
23 foreign markets substantially equivalent to the competitive
24 opportunities afforded foreign exports in
25 United States markets and to achieve fairer and

1 more open conditions of trade in bulk and value-
2 added commodities by—

3 (A) reducing or eliminating, by a date cer-
4 tain, tariffs or other charges that decrease mar-
5 ket opportunities for United States exports—

6 (i) giving priority to those products
7 that are subject to significantly higher tar-
8 iffs or subsidy regimes of major producing
9 countries; and

10 (ii) providing reasonable adjustment
11 periods for United States import-sensitive
12 products;

13 (B) reducing or eliminating subsidies that
14 decrease market opportunities for United States
15 exports or unfairly distort agriculture markets
16 to the detriment of the United States;

17 (C) developing, strengthening, and clarify-
18 ing rules and effective dispute settlement mech-
19 anisms to eliminate practices that unfairly de-
20 crease United States market access opportuni-
21 ties or distort agricultural markets to the det-
22 riment of the United States, particularly with
23 respect to import-sensitive products, includ-
24 ing—

1 (i) unfair or trade-distorting activities
2 of state trading enterprises and other ad-
3 ministrative mechanisms;

4 (ii) unjustified trade restrictions or
5 commercial requirements affecting new
6 technologies, including biotechnology;

7 (iii) unjustified sanitary or
8 phytosanitary restrictions, including those
9 not based on sound science in contraven-
10 tion of the Uruguay Round Agreements;

11 (iv) other unjustified technical bar-
12 riers to trade; and

13 (v) restrictive rules in the administra-
14 tion of tariff rate quotas;

15 (D) improving import relief mechanisms to
16 recognize the unique characteristics of perish-
17 able agriculture;

18 (E) taking into account whether a party to
19 the negotiations has failed to adhere to the pro-
20 visions of already existing trade agreements
21 with the United States or has circumvented ob-
22 ligations under those agreements;

23 (F) taking into account whether a product
24 is subject to market distortions by reason of a
25 failure of a major producing country to adhere

1 to the provisions of already existing trade
2 agreements with the United States or by the
3 circumvention by that country of its obligations
4 under those agreements; and

5 (G) otherwise ensuring that countries that
6 accede to the World Trade Organization have
7 made meaningful market liberalization commit-
8 ments in agriculture.

9 (7) LABOR, THE ENVIRONMENT, AND OTHER
10 MATTERS.—The principal negotiating objective of
11 the United States regarding labor, the environment,
12 and other matters is to address the following aspects
13 of foreign government policies and practices regard-
14 ing labor, the environment, and other matters that
15 are directly related to trade:

16 (A) To ensure that foreign labor, environ-
17 mental, health, or safety policies and practices
18 do not arbitrarily or unjustifiably discriminate
19 or serve as disguised barriers to trade.

20 (B) To ensure that foreign governments do
21 not derogate from or waive existing domestic
22 environmental, health, safety, or labor meas-
23 ures, including measures that deter exploitative
24 child labor, as an encouragement to gain com-
25 petitive advantage in international trade or in-

1 vestment. Nothing in this subparagraph is in-
2 tended to address changes to a country's laws
3 that are nondiscriminatory and consistent with
4 sound macroeconomic development.

5 (8) WTO EXTENDED NEGOTIATIONS.—The
6 principal negotiating objectives of the United States
7 regarding trade in financial services are those set
8 forth in section 135(a) of the Uruguay Round
9 Agreements Act (19 U.S.C. 3555(a)), regarding
10 trade in civil aircraft are those set forth in section
11 135(c) of that Act, and regarding rules of origin are
12 the conclusion of an agreement described in section
13 132 of that Act (19 U.S.C. 3552).

14 (c) INTERNATIONAL ECONOMIC POLICY OBJEC-
15 TIVES.—

16 (1) IN GENERAL.—The President should take
17 into account the relationship between trade agree-
18 ments and other important priorities of the United
19 States and seek to ensure that the trade agreements
20 entered into by the United States complement and
21 reinforce other policy goals. The United States prior-
22 ities in this area include—

23 (A) seeking to ensure that trade and envi-
24 ronmental policies are mutually supportive;

1 (B) seeking to protect and preserve the en-
2 vironment and enhance the international means
3 for doing so, while optimizing the use of the
4 world's resources;

5 (C) promoting the respect for worker
6 rights and the rights of children and an under-
7 standing of the relationship between trade and
8 worker rights, particularly by working with the
9 International Labor Organization to encourage
10 the observance and enforcing of core labor
11 standards, including exploitative child labor;
12 and

13 (D) supplementing and strengthening
14 standards for protection of intellectual property
15 under conventions administered by international
16 organizations other than the World Trade Or-
17 ganization, expanding the conventions to cover
18 new and emerging technologies, and eliminating
19 discrimination and unreasonable exceptions or
20 preconditions to such protection.

21 (2) APPLICABILITY OF TRADE AUTHORITIES
22 PROCEDURES.—Nothing in this subsection shall be
23 construed to authorize the use of the trade authori-
24 ties procedures described in section 103 to modify
25 United States law.

1 (d) GUIDANCE FOR NEGOTIATORS.—

2 (1) DOMESTIC OBJECTIVES.—In pursuing the
3 negotiating objectives described in subsection (b),
4 the negotiators on behalf of the United States shall
5 take into account United States domestic objectives,
6 including the protection of health and safety, essen-
7 tial security, environmental, consumer, and employ-
8 ment opportunity interests, and the law and regula-
9 tions related thereto.

10 (2) CONSULTATIONS WITH CONGRESSIONAL AD-
11 VISERS AND ENFORCEMENT OF THE TRADE LAWS.—
12 In the course of negotiations conducted under this
13 title, the United States Trade Representative shall—

14 (A) consult closely and on a timely basis
15 with, and keep fully apprised of the negotia-
16 tions, the congressional advisers on trade policy
17 and negotiations appointed under section 161 of
18 the Trade Act of 1974; and

19 (B) take into account the need for the
20 United States to retain the ability to enforce
21 rigorously its trade laws in order to ensure that
22 United States workers, agricultural producers,
23 and firms can compete on fair terms and enjoy
24 the benefits of reciprocal trade concessions.

1 (e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY
 2 ROUND AGREEMENTS.—In determining whether to enter
 3 into negotiations with a particular country, the President
 4 shall take into account the extent to which that country
 5 has implemented, or has accelerated the implementation
 6 of, its obligations under the Uruguay Round Agreements.

7 **SEC. 103. TRADE AGREEMENTS AUTHORITY.**

8 (a) AGREEMENTS REGARDING TARIFF BARRIERS.—

9 (1) IN GENERAL.—Whenever the President de-
 10 termines that one or more existing duties or other
 11 import restrictions of any foreign country or the
 12 United States are unduly burdening and restricting
 13 the foreign trade of the United States and that the
 14 purposes, policies, and objectives of this title will be
 15 promoted thereby, the President—

16 (A) may enter into trade agreements with
 17 foreign countries before—

18 (i) October 1, 2001, or

19 (ii) October 1, 2005, if trade authori-
 20 ties procedures are extended under sub-
 21 section (c), and

22 (B) may, subject to paragraphs (2) and
 23 (3), proclaim—

24 (i) such modification or continuance
 25 of any existing duty, or

1 (ii) such continuance of existing duty-
2 free or excise treatment,
3 as the President determines to be required or
4 appropriate to carry out any such trade agree-
5 ment. The President shall notify the Congress
6 of the President's intention to enter into an
7 agreement under this subsection.

8 (2) LIMITATIONS.—No proclamation may be
9 made under paragraph (1) that—

10 (A) reduces any rate of duty (other than a
11 rate of duty that does not exceed 5 percent ad
12 valorem on the date of the enactment of this
13 Act) to a rate of duty which is less than 50 per-
14 cent of the rate of such duty that applies on
15 such date of enactment; or

16 (B) reduces the rate of duty on an article
17 to take effect on a date that is more than 10
18 years after the first reduction that is pro-
19 claimed to carry out a trade agreement with re-
20 spect to such article.

21 (3) AGGREGATE REDUCTION; EXEMPTION FROM
22 STAGING.—

23 (A) AGGREGATE REDUCTION.—Except as
24 provided in subparagraph (B), the aggregate re-
25 duction in the rate of duty on any article which

1 is in effect on any day pursuant to a trade
2 agreement entered into under paragraph (1)
3 shall not exceed the aggregate reduction which
4 would have been in effect on such day if—

5 (i) a reduction of 3 percent ad valo-
6 rem or a reduction of one-tenth of the total
7 reduction, whichever is greater, had taken
8 effect on the effective date of the first re-
9 duction proclaimed under paragraph (1) to
10 carry out such agreement with respect to
11 such article; and

12 (ii) a reduction equal to the amount
13 applicable under clause (i) had taken effect
14 at 1-year intervals after the effective date
15 of such first reduction.

16 (B) EXEMPTION FROM STAGING.—No
17 staging is required under subparagraph (A)
18 with respect to a duty reduction that is pro-
19 claimed under paragraph (1) for an article of a
20 kind that is not produced in the United States.
21 The United States International Trade Com-
22 mission shall advise the President of the iden-
23 tity of articles that may be exempted from stag-
24 ing under this subparagraph.

1 (4) ROUNDING.—If the President determines
2 that such action will simplify the computation of re-
3 ductions under paragraph (3), the President may
4 round an annual reduction by an amount equal to
5 the lesser of—

6 (A) the difference between the reduction
7 without regard to this paragraph and the next
8 lower whole number; or

9 (B) one-half of 1 percent ad valorem.

10 (5) OTHER LIMITATIONS.—A rate of duty re-
11 duction that may not be proclaimed by reason of
12 paragraph (2) may take effect only if a provision au-
13 thorizing such reduction is included within an imple-
14 menting bill provided for under section 105 and that
15 bill is enacted into law.

16 (6) OTHER TARIFF MODIFICATIONS.—Notwith-
17 standing paragraphs (1)(B) and (2) through (5),
18 and subject to the consultation and layover require-
19 ments of section 115 of the Uruguay Round Agree-
20 ments Act, the President may proclaim the modifica-
21 tion of any duty or staged rate reduction of any duty
22 set forth in Schedule XX, as defined in section 2(5)
23 of that Act, if the United States agrees to such
24 modification or staged rate reduction in a negotia-
25 tion for the reciprocal elimination or harmonization

1 of duties under the auspices of the World Trade Or-
2 ganization or as part of an interim agreement lead-
3 ing to the formation of a regional free-trade area.

4 (7) AUTHORITY UNDER URUGUAY ROUND
5 AGREEMENTS ACT NOT AFFECTED.—Nothing in this
6 subsection shall limit the authority provided to the
7 President under section 111(b) of the Uruguay
8 Round Agreements Act (19 U.S.C. 3521(b)).

9 (b) AGREEMENTS REGARDING TARIFF AND NON-
10 TARIFF BARRIERS.—

11 (1) IN GENERAL.—(A) Whenever the President
12 determines that—

13 (i) one or more existing duties or any other
14 import restriction of any foreign country or the
15 United States or any other barrier to, or other
16 distortion of, international trade unduly bur-
17 dens or restricts the foreign trade of the United
18 States or adversely affects the United States
19 economy, or

20 (ii) the imposition of any such barrier or
21 distortion is likely to result in such a burden,
22 restriction, or effect,

23 and that the purposes, policies, and objectives of this
24 title will be promoted thereby, the President may
25 enter into a trade agreement described in subpara-

1 graph (B) during the period described in subpara-
2 graph (C).

3 (B) The President may enter into a trade
4 agreement under subparagraph (A) with foreign
5 countries providing for—

6 (i) the reduction or elimination of a duty,
7 restriction, barrier, or other distortion described
8 in subparagraph (A), or

9 (ii) the prohibition of, or limitation on the
10 imposition of, such barrier or other distortion.

11 (C) The President may enter into a trade
12 agreement under this paragraph before—

13 (i) October 1, 2001, or

14 (ii) October 1, 2005, if trade authorities
15 procedures are extended under subsection (c).

16 (2) CONDITIONS.—A trade agreement may be
17 entered into under this subsection only if such
18 agreement makes progress in meeting the applicable
19 objectives described in section 102 and the President
20 satisfies the conditions set forth in section 104.

21 (3) BILLS QUALIFYING FOR TRADE AUTHORI-
22 TIES PROCEDURES.—The provisions of section 151
23 of the Trade Act of 1974 (in this title referred to
24 as “trade authorities procedures”) apply to a bill of
25 either House of Congress consisting only of—

1 (A) a provision approving a trade agree-
2 ment entered into under this subsection and ap-
3 proving the statement of administrative action,
4 if any, proposed to implement such trade agree-
5 ment,

6 (B) provisions directly related to the prin-
7 cipal trade negotiating objectives set forth in
8 section 102(b) achieved in such trade agree-
9 ment, if those provisions are necessary for the
10 operation or implementation of United States
11 rights or obligations under such trade agree-
12 ment,

13 (C) provisions that define and clarify, or
14 provisions that are related to, the operation or
15 effect of the provisions of the trade agreement,

16 (D) provisions to provide adjustment as-
17 sistance to workers and firms adversely affected
18 by trade, and

19 (E) provisions necessary for purposes of
20 complying with section 252 of the Balanced
21 Budget and Emergency Deficit Control Act of
22 1985 in implementing the trade agreement,

23 to the same extent as such section 151 applies to
24 implementing bills under that section. A bill to

1 which this subparagraph applies shall hereafter in
2 this title be referred to as an “implementing bill”.

3 (c) EXTENSION DISAPPROVAL PROCESS FOR CON-
4 GRESSIONAL TRADE AUTHORITIES PROCEDURES.—

5 (1) IN GENERAL.—Except as provided in sec-
6 tion 105(b)—

7 (A) the trade authorities procedures apply
8 to implementing bills submitted with respect to
9 trade agreements entered into under subsection
10 (b) before October 1, 2001; and

11 (B) the trade authorities procedures shall
12 be extended to implementing bills submitted
13 with respect to trade agreements entered into
14 under subsection (b) after September 30, 2001,
15 and before October 1, 2005, if (and only if)—

16 (i) the President requests such exten-
17 sion under paragraph (2); and

18 (ii) neither House of the Congress
19 adopts an extension disapproval resolution
20 under paragraph (5) before October 1,
21 2001.

22 (2) REPORT TO CONGRESS BY THE PRESI-
23 DENT.—If the President is of the opinion that the
24 trade authorities procedures should be extended to
25 implementing bills described in paragraph (1)(B),

1 the President shall submit to the Congress, not later
2 than July 1, 2001, a written report that contains
3 a request for such extension, together with—

4 (A) a description of all trade agreements
5 that have been negotiated under subsection (b)
6 and the anticipated schedule for submitting
7 such agreements to the Congress for approval;

8 (B) a description of the progress that has
9 been made in negotiations to achieve the pur-
10 poses, policies, and objectives of this title, and
11 a statement that such progress justifies the
12 continuation of negotiations; and

13 (C) a statement of the reasons why the ex-
14 tension is needed to complete the negotiations.

15 (3) REPORT TO CONGRESS BY THE ADVISORY
16 COMMITTEE.—The President shall promptly inform
17 the Advisory Committee for Trade Policy and Nego-
18 tiations established under section 135 of the Trade
19 Act of 1974 (19 U.S.C. 2155) of the President’s de-
20 cision to submit a report to the Congress under
21 paragraph (2). The Advisory Committee shall submit
22 to the Congress as soon as practicable, but not later
23 than August 1, 2001, a written report that con-
24 tains—

1 (A) its views regarding the progress that
2 has been made in negotiations to achieve the
3 purposes, policies, and objectives of this title;
4 and

5 (B) a statement of its views, and the rea-
6 sons therefor, regarding whether the extension
7 requested under paragraph (2) should be ap-
8 proved or disapproved.

9 (4) REPORTS MAY BE CLASSIFIED.—The re-
10 ports submitted to the Congress under paragraphs
11 (2) and (3), or any portion of such reports, may be
12 classified to the extent the President determines ap-
13 propriate.

14 (5) EXTENSION DISAPPROVAL RESOLUTIONS.—

15 (A) For purposes of paragraph (1), the term “exten-
16 sion disapproval resolution” means a resolution of
17 either House of the Congress, the sole matter after
18 the resolving clause of which is as follows: “That the
19 _____ disapproves the request of the President for
20 the extension, under section 103(c)(1)(B)(i) of the
21 Reciprocal Trade Agreement Authorities Act of
22 1997, of the provisions of section 151 of the Trade
23 Act of 1974 to any implementing bill submitted with
24 respect to any trade agreement entered into under
25 section 103(b) of the Reciprocal Trade Agreement

1 Authorities Act of 1997 after September 30, 2001.”,
2 with the blank space being filled with the name of
3 the resolving House of the Congress.

4 (B) Extension disapproval resolutions—

5 (i) may be introduced in either House of
6 the Congress by any member of such House;
7 and

8 (ii) shall be jointly referred, in the House
9 of Representatives, to the Committee on Ways
10 and Means and the Committee on Rules.

11 (C) The provisions of sections 152(d) and (e) of
12 the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))
13 (relating to the floor consideration of certain resolu-
14 tions in the House and Senate) apply to extension
15 disapproval resolutions.

16 (D) It is not in order for—

17 (i) the Senate to consider any extension
18 disapproval resolution not reported by the Com-
19 mittee on Finance;

20 (ii) the House of Representatives to con-
21 sider any extension disapproval resolution not
22 reported by the Committee on Ways and Means
23 and the Committee on Rules; or

1 (iii) either House of the Congress to con-
2 sider an extension disapproval resolution after
3 September 30, 2001.

4 **SEC. 104. CONSULTATIONS.**

5 (a) NOTICE AND CONSULTATION BEFORE NEGOTIA-
6 TION.—

7 (1) IN GENERAL.—The President, with respect
8 to any agreement that is subject to the provisions of
9 section 103(b), shall—

10 (A) provide, at least 90 calendar days be-
11 fore initiating negotiations, written notice to the
12 Congress of the President's intention to enter
13 into the negotiations and set forth therein the
14 date the President intends to initiate such nego-
15 tiations, the specific United States objectives
16 for the negotiations, and whether the President
17 intends to seek an agreement, or changes to an
18 existing agreement; and

19 (B) before and after submission of the no-
20 tice, consult regarding the negotiations with the
21 Committee on Finance of the Senate and the
22 Committee on Ways and Means of the House of
23 Representatives and such other committees of
24 the House and Senate as the President deems
25 appropriate.

1 (2) CONSULTATIONS REGARDING NEGOTIA-
2 TIONS ON CERTAIN OBJECTIVES.—

3 (A) CONSULTATION.—In addition to the
4 requirements set forth in paragraph (1), before
5 initiating negotiations with respect to a trade
6 agreement entered into under section 103(b) in
7 which the subject matter is directly related to
8 the principal trade negotiating objectives set
9 forth in section 2(b)(1) or section 102(b)(7),
10 the President shall consult with the Committee
11 on Ways and Means of the House of Represent-
12 atives and the Committee on Finance of the
13 Senate and with the appropriate industry sector
14 advisory groups established under section 135
15 of the Trade Act of 1974 with respect to such
16 negotiations.

17 (B) SCOPE.—The consultations described
18 in subparagraph (A) shall concern the manner
19 in which the negotiation will address the objec-
20 tive of reducing or eliminating a specific tariff
21 or nontariff barrier or foreign government pol-
22 icy or practice directly related to trade that de-
23 creases market opportunities for United States
24 exports or otherwise distorts United States
25 trade.

1 (3) NEGOTIATIONS REGARDING AGRI-
2 CULTURE.—Before initiating negotiations under sec-
3 tion 102(b)(6)(A) with any country, the President
4 shall assess whether United States tariffs on agri-
5 culture products that were bound under the Uru-
6 guay Round Agreements are lower than the tariffs
7 bound by that country. In addition, the President
8 shall consider whether the tariff levels bound and
9 applied throughout the world with respect to imports
10 from the United States are higher than United
11 States tariffs and whether the negotiation provides
12 an opportunity to address any such disparity. The
13 President shall consult with the Committee on Ways
14 and Means and the Committee on Agriculture of the
15 House of Representatives and the Committee on Fi-
16 nance and the Committee on Agriculture, Nutrition,
17 and Forestry of the Senate concerning the results of
18 the assessment, whether it is appropriate for the
19 United States to agree to further tariff reductions
20 based on the conclusions reached in the assessment,
21 and how all applicable negotiating objectives will be
22 met.

23 (b) CONSULTATION WITH CONGRESS BEFORE
24 AGREEMENTS ENTERED INTO.—

1 (1) CONSULTATION.—Before entering into any
2 trade agreement under section 103(b), the President
3 shall consult with—

4 (A) the Committee on Ways and Means of
5 the House of Representatives and the Commit-
6 tee on Finance of the Senate; and

7 (B) each other committee of the House
8 and the Senate, and each joint committee of the
9 Congress, which has jurisdiction over legislation
10 involving subject matters which would be af-
11 fected by the trade agreement.

12 (2) SCOPE.—The consultation described in
13 paragraph (1) shall include consultation with respect
14 to—

15 (A) the nature of the agreement;

16 (B) how and to what extent the agreement
17 will achieve the applicable purposes, policies,
18 and objectives of this title; and

19 (C) the implementation of the agreement
20 under section 105.

21 (c) ADVISORY COMMITTEE REPORTS.—The report
22 required under section 135(e)(1) of the Trade Act of 1974
23 regarding any trade agreement entered into under section
24 103(a) or (b) of this Act shall be provided to the Presi-
25 dent, the Congress, and the United States Trade Rep-

1 representative not later than 30 days after the date on which
2 the President notifies the Congress under section
3 103(a)(1) or 105(a)(1)(A) of the President's intention to
4 enter into the agreement.

5 **SEC. 105. IMPLEMENTATION OF TRADE AGREEMENTS.**

6 (a) IN GENERAL.—

7 (1) NOTIFICATION AND SUBMISSION.—Any
8 agreement entered into under section 103(b) shall
9 enter into force with respect to the United States if
10 (and only if)—

11 (A) the President, at least 90 calendar
12 days before the day on which the President en-
13 ters into the trade agreement, notifies the
14 House of Representatives and the Senate of the
15 President's intention to enter into the agree-
16 ment, and promptly thereafter publishes notice
17 of such intention in the Federal Register;

18 (B) within 60 days after entering into the
19 agreement, the President submits to the Con-
20 gress a description of those changes to existing
21 laws that the President considers would be re-
22 quired in order to bring the United States into
23 compliance with the agreement;

1 (C) after entering into the agreement, the
2 President submits a copy of the final legal text
3 of the agreement, together with—

4 (i) a draft of an implementing bill de-
5 scribed in section 103(b)(3);

6 (ii) a statement of any administrative
7 action proposed to implement the trade
8 agreement; and

9 (iii) the supporting information de-
10 scribed in paragraph (2); and

11 (D) the implementing bill is enacted into
12 law.

13 (2) SUPPORTING INFORMATION.—The support-
14 ing information required under paragraph (1)(C)(iii)
15 consists of—

16 (A) an explanation as to how the imple-
17 menting bill and proposed administrative action
18 will change or affect existing law; and

19 (B) a statement—

20 (i) asserting that the agreement
21 makes progress in achieving the applicable
22 purposes, policies, and objectives of this
23 title;

24 (ii) setting forth the reasons of the
25 President regarding—

1 (I) how and to what extent the
2 agreement makes progress in achiev-
3 ing the applicable purposes, policies,
4 and objectives referred to in clause (i);

5 (II) whether and how the agree-
6 ment changes provisions of an agree-
7 ment previously negotiated;

8 (III) how the agreement serves
9 the interests of United States com-
10 merce; and

11 (IV) how the implementing bill
12 complies with section 103(b)(3).

13 (3) RECIPROCAL BENEFITS.—In order to en-
14 sure that a foreign country that is not a party to a
15 trade agreement entered into under section 103(b)
16 does not receive benefits under the agreement unless
17 the country is also subject to the obligations under
18 the agreement, the implementing bill submitted with
19 respect to the agreement shall provide that the bene-
20 fits and obligations under the agreement apply only
21 to the parties to the agreement, if such application
22 is consistent with the terms of the agreement. The
23 implementing bill may also provide that the benefits
24 and obligations under the agreement do not apply
25 uniformly to all parties to the agreement, if such ap-

1 plication is consistent with the terms of the agree-
2 ment.

3 (b) LIMITATIONS ON TRADE AUTHORITIES PROCE-
4 DURES.—

5 (1) FOR LACK OF CONSULTATIONS.—

6 (A) IN GENERAL.—The trade authorities
7 procedures shall not apply to any implementing
8 bill submitted with respect to a trade agreement
9 entered into under section 103(b) if during the
10 60-day period beginning on the date that one
11 House of Congress agrees to a procedural dis-
12 approval resolution for lack of notice or con-
13 sultations with respect to that trade agreement,
14 the other House separately agrees to a proce-
15 dural disapproval resolution with respect to that
16 agreement.

17 (B) PROCEDURAL DISAPPROVAL RESOLU-
18 TION.—For purposes of this paragraph, the
19 term “procedural disapproval resolution” means
20 a resolution of either House of Congress, the
21 sole matter after the resolving clause of which
22 is as follows: “That the President has failed or
23 refused to notify or consult (as the case may
24 be) with Congress in accordance with section
25 104 or 105 of the Reciprocal Trade Agreement

1 Authorities Act of 1997 on negotiations with re-
 2 spect to, or entering into, a trade agreement to
 3 which section 103(b) of that Act applies and,
 4 therefore, the provisions of section 151 of the
 5 Trade Act of 1974 shall not apply to any imple-
 6 menting bill submitted with respect to that
 7 trade agreement.”.

8 (2) PROCEDURES FOR CONSIDERING RESOLU-
 9 TIONS.—(A) Procedural disapproval resolutions—

10 (i) in the House of Representatives—

11 (I) shall be introduced by the chair-
 12 man or ranking minority member of the
 13 Committee on Ways and Means or the
 14 chairman or ranking minority member of
 15 the Committee on Rules;

16 (II) shall be jointly referred to the
 17 Committee on Ways and Means and the
 18 Committee on Rules; and

19 (III) may not be amended by either
 20 Committee; and

21 (ii) in the Senate shall be original resolu-
 22 tions of the Committee on Finance.

23 (B) The provisions of section 152(d) and (e) of
 24 the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))
 25 (relating to the floor consideration of certain resolu-

1 tions in the House and Senate) apply to procedural
2 disapproval resolutions.

3 (C) It is not in order for the House of Rep-
4 resentatives to consider any procedural disapproval
5 resolution not reported by the Committee on Ways
6 and Means and the Committee on Rules.

7 (c) RULES OF HOUSE OF REPRESENTATIVES AND
8 SENATE.—Subsection (b) of this section and section
9 103(c) are enacted by the Congress—

10 (1) as an exercise of the rulemaking power of
11 the House of Representatives and the Senate, re-
12 spectively, and as such are deemed a part of the
13 rules of each House, respectively, and such proce-
14 dures supersede other rules only to the extent that
15 they are inconsistent with such other rules; and

16 (2) with the full recognition of the constitu-
17 tional right of either House to change the rules (so
18 far as relating to the procedures of that House) at
19 any time, in the same manner, and to the same ex-
20 tent as any other rule of that House.

21 **SEC. 106. TREATMENT OF CERTAIN TRADE AGREEMENTS.**

22 (a) CERTAIN AGREEMENTS.—Notwithstanding sec-
23 tion 103(b)(2), if an agreement to which section 103(b)
24 applies—

1 (1) is entered into under the auspices of the
2 World Trade Organization regarding trade in infor-
3 mation technology products,

4 (2) is entered into under the auspices of the
5 World Trade Organization regarding extended nego-
6 tiations on financial services as described in section
7 135(a) of the Uruguay Round Agreements Act (19
8 U.S.C. 3555(a)),

9 (3) is entered into under the auspices of the
10 World Trade Organization regarding the rules of ori-
11 gin work program described in Article 9 of the
12 Agreement on Rules of Origin referred to in section
13 101(d)(10) of the Uruguay Round Agreements Act
14 (19 U.S.C. 3511(d)(10)), or

15 (4) is entered into with Chile,
16 and results from negotiations that were commenced before
17 the date of the enactment of this Act, subsection (b) shall
18 apply.

19 (b) TREATMENT OF AGREEMENTS.—In the case of
20 any agreement to which subsection (a) applies—

21 (1) the applicability of the trade authorities
22 procedures to implementing bills for be determined
23 without regard to the requirements of section
24 104(a), and any procedural disapproval resolution

1 under section 105(b)(1)(B) shall not be in order
2 with respect to the provisions of section 104(a); and
3 (2) consultations under section 104(a) that
4 would be required prior to initiation of negotiations
5 shall be made as soon as feasible after the enact-
6 ment of this Act.

7 **SEC. 107. CONFORMING AMENDMENTS.**

8 (a) IN GENERAL.—Title I of the Trade Act of 1974
9 (19 U.S.C. 2111 et seq.) is amended as follows:

10 (1) IMPLEMENTING BILL.—

11 (A) Section 151(b)(1) (19 U.S.C.
12 2191(b)(1)) is amended by striking “section
13 1103(a)(1) of the Omnibus Trade and Competi-
14 tiveness Act of 1988, or section 282 of the Uru-
15 guay Round Agreements Act” and inserting
16 “section 282 of the Uruguay Round Agree-
17 ments Act, or section 105(a)(1) of the Recip-
18 rocal Trade Agreement Authorities Act of
19 1997”.

20 (B) Section 151(c)(1) (19 U.S.C.
21 2191(c)(1)) is amended by striking “or section
22 282 of the Uruguay Round Agreements Act”
23 and inserting “, section 282 of the Uruguay
24 Round Agreements Act, or section 105(a)(1) of

1 the Reciprocal Trade Agreement Authorities
2 Act of 1997”.

3 (2) ADVICE FROM INTERNATIONAL TRADE COM-
4 MISSION.—Section 131 (19 U.S.C. 2151) is amend-
5 ed—

6 (A) in subsection (a)—

7 (i) in paragraph (1), by striking “sec-
8 tion 123 of this Act or section 1102 (a) or
9 (c) of the Omnibus Trade and Competitive-
10 ness Act of 1988,” and inserting “section
11 123 of this Act or section 103(a) or (b) of
12 the Reciprocal Trade Agreement Authori-
13 ties Act of 1997,”; and

14 (ii) in paragraph (2), by striking “sec-
15 tion 1102 (b) or (c) of the Omnibus Trade
16 and Competitiveness Act of 1988” and in-
17 serting “section 103(b) of the Reciprocal
18 Trade Agreement Authorities Act of
19 1997”;

20 (B) in subsection (b), by striking “section
21 1102(a)(3)(A)” and inserting “section
22 103(a)(3)(A) of the Reciprocal Trade Agree-
23 ment Authorities Act of 1997” before the end
24 period; and

1 (C) in subsection (c), by striking “section
2 1102 of the Omnibus Trade and Competitive-
3 ness Act of 1988,” and inserting “section 103
4 of the Reciprocal Trade Agreement Authorities
5 Act of 1997,”.

6 (3) HEARINGS AND ADVICE.—Sections 132,
7 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and
8 2154(a)) are each amended by striking “section
9 1102 of the Omnibus Trade and Competitiveness
10 Act of 1988,” each place it appears and inserting
11 “section 103 of the Reciprocal Trade Agreement Au-
12 thorities Act of 1997,”.

13 (4) PREREQUISITES FOR OFFERS.—Section
14 134(b) (19 U.S.C. 2154(b)) is amended by striking
15 “section 1102 of the Omnibus Trade and Competi-
16 tiveness Act of 1988” and inserting “section 103 of
17 the Reciprocal Trade Agreement Authorities Act of
18 1997”.

19 (5) ADVICE FROM PRIVATE AND PUBLIC SEC-
20 TORS.—Section 135 (19 U.S.C. 2155) is amended—

21 (A) in subsection (a)(1)(A), by striking
22 “section 1102 of the Omnibus Trade and Com-
23 petitiveness Act of 1988” and inserting “section
24 103 of the Reciprocal Trade Agreement Au-
25 thorities Act of 1997”;

1 (B) in subsection (e)(1)—

2 (i) by striking “section 1102 of the
3 Omnibus Trade and Competitiveness Act
4 of 1988” each place it appears and insert-
5 ing “section 103 of the Reciprocal Trade
6 Agreement Authorities Act of 1997”; and

7 (ii) by striking “section 1103(a)(1)(A)
8 of such Act of 1988” and inserting “sec-
9 tion 105(a)(1)(A) of the Reciprocal Trade
10 Agreement Authorities Act of 1997”; and

11 (C) in subsection (e)(2), by striking “sec-
12 tion 1101 of the Omnibus Trade and Competi-
13 tiveness Act of 1988” and inserting “section
14 102 of the Reciprocal Trade Agreement Au-
15 thorities Act of 1997”.

16 (6) TRANSMISSION OF AGREEMENTS TO CON-
17 GRESS.—Section 162(a) (19 U.S.C. 2212(a)) is
18 amended by striking “or under section 1102 of the
19 Omnibus Trade and Competitiveness Act of 1988”
20 and inserting “or under section 103 of the Recip-
21 rocal Trade Agreement Authorities Act of 1997”.

22 (b) APPLICATION OF CERTAIN PROVISIONS.—For
23 purposes of applying sections 125, 126, and 127 of the
24 Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and
25 2137)—

1 (1) any trade agreement entered into under sec-
 2 tion 103 shall be treated as an agreement entered
 3 into under section 101 or 102, as appropriate, of the
 4 Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

5 (2) any proclamation or Executive order issued
 6 pursuant to a trade agreement entered into under
 7 section 103 shall be treated as a proclamation or
 8 Executive order issued pursuant to a trade agree-
 9 ment entered into under section 102 of the Trade
 10 Act of 1974.

11 **SEC. 108. DEFINITIONS.**

12 In this title:

13 (1) UNITED STATES PERSON.—The term
 14 “United States person” means—

15 (A) a United States citizen;

16 (B) a partnership, corporation, or other
 17 legal entity organized under the laws of the
 18 United States; and

19 (C) a partnership, corporation, or other
 20 legal entity that is organized under the laws of
 21 a foreign country and is controlled by entities
 22 described in subparagraph (B) or United States
 23 citizens, or both.

24 (2) URUGUAY ROUND AGREEMENTS.—The term
 25 “Uruguay Round Agreements” has the meaning

1 given that term in section 2(7) of the Uruguay
2 Round Agreements Act (19 U.S.C. 3501(7)).

3 (3) WORLD TRADE ORGANIZATION.—The term
4 “World Trade Organization” means the organization
5 established pursuant to the WTO Agreement.

6 (4) WTO AGREEMENT.—The term “WTO
7 Agreement” means the Agreement Establishing the
8 World Trade Organization entered into on April 15,
9 1994.

10 **TITLE II—TRADE ADJUSTMENT** 11 **ASSISTANCE**

12 **SEC. 201. ADJUSTMENT ASSISTANCE FOR WORKERS.**

13 Section 245 of the Trade Act of 1974 (19 U.S.C.
14 2317) is amended—

15 (1) in subsection (a) by striking “1993” and all
16 that follows through “1998” and inserting “1998,
17 1999, and 2000”; and

18 (2) in subsection (b) by striking “1994” and all
19 that follows through “1998” and inserting “1998,
20 1999, and 2000”.

21 **SEC. 202. ADJUSTMENT ASSISTANCE FOR FIRMS.**

22 Section 256(b) of the Trade Act of 1974 (19 U.S.C.
23 2346(b)) is amended by striking “1993” and all that fol-
24 lows through “1998” and inserting “1998, 1999, and
25 2000”.

1 **SEC. 203. GENERAL ACCOUNTING OFFICE REPORT.**

2 Section 280(a) of the Trade Act of 1974 (19 U.S.C.
3 2391(a)) is amended—

4 (1) by striking “2, 3, and 4” and inserting “2
5 and 3”; and

6 (2) by striking “January 31, 1980” and insert-
7 ing “October 1, 1999”.

8 **SEC. 204. TERMINATION.**

9 Section 285(c) of the Trade Act of 1974 (19 U.S.C.
10 2271 note) is amended in paragraphs (1) and (2)(A)(i)
11 by striking “1998” and inserting “2000”.

12 **SEC. 205. EFFECTIVE DATE.**

13 The amendments made by this title take effect on the
14 date of the enactment of this Act.

15 **TITLE III—REVENUE**
16 **PROVISIONS**

17 **SEC. 301. REPEAL OF SPECIAL RULE FOR RENTAL USE OF**
18 **VACATION HOMES, ETC., FOR LESS THAN 15**
19 **DAYS.**

20 (a) IN GENERAL.—Section 280A of the Internal Rev-
21 enue Code of 1986 (relating to disallowance of certain ex-
22 penses in connection with business use of home, rental of
23 vacation homes, etc.) is amended by striking subsection
24 (g).

25 (b) NO BASIS REDUCTION UNLESS DEPRECIATION
26 CLAIMED.—Section 1016 of such Code is amended by re-

1 designating subsection (e) as subsection (f) and by insert-
2 ing after subsection (d) the following new subsection:

3 “(e) SPECIAL RULE WHERE RENTAL USE OF VACA-
4 TION HOME, ETC., FOR LESS THAN 15 DAYS.—If a dwell-
5 ing unit is used during the taxable year by the taxpayer
6 as a residence and such dwelling unit is actually rented
7 for less than 15 days during the taxable year, the reduc-
8 tion under subsection (a)(2) by reason of such rental use
9 in any taxable year beginning after December 31, 1997,
10 shall not exceed the depreciation deduction allowed for
11 such rental use.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 1997.

○